



# City of San Antonio

## Agenda Memorandum

**File Number:**15-1739

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**Agenda Item Number:** 22.

**Agenda Date:** 5/14/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Human Resources

**DEPARTMENT HEAD:** Lori Steward, Interim Human Resources Director

**COUNCIL DISTRICTS IMPACTED:** City wide

### **SUBJECT:**

Family Medical Leave Act (FMLA) Administration Services

### **SUMMARY:**

This ordinance authorizes the Chief Financial Officer or his/her designee to enter into a contract with ComPsych Inc. to provide FMLA administration services for the City of San Antonio Human Resources Department. The term of this contract is three (3) years, beginning July 1, 2015, and ending June 30, 2018, with an option to extend the contract for up to two (2) one (1) year extensions, subject to and contingent upon funding by City Council, with total compensation not to exceed \$517,080.00. The estimated annual expense is approximately \$103,416.00.

### **BACKGROUND INFORMATION:**

City of San Antonio is subject to the requirements of the Family Medical Leave Act (FMLA). All full-time, part-time, and temporary employees who have been employed by the City for at least 12 months and have worked at least 1,250 hours during the 12 month period prior to the commencement of the leave are eligible to apply for FMLA.

On October 24, 2014, the Human Resources Department issued a Request for Proposals (RFP) in search of qualified organizations with proven experience in the administration of FMLA administrative services. The decision to outsource FMLA administration satisfies the need to incorporate consistent FMLA administration thus avoiding inconsistent handling of claims, provide greater protection of employees' private health information and avoid exposure to litigation. Three qualified proposals were received and evaluated by the

selection committee ("committee"). ComPsych was selected by the committee as the recommended Respondent for award. The committee based its decision on several weighted factors, including experience, background, qualifications and proposed plan. Additional factors were applicable, including price, Local Preference Program and Small Business Program, and were considered in the final scoring.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Small and Minority/ Women-Owned Business Enterprise Prime Contract Program with ten (10) evaluation preference points awarded to a firm if they are certified as both SBE and M/WBE firm, located within the San Antonio Metropolitan Statistical Area OR five (5) evaluation preference points awarded to firms if they are certified SBE firm located within the San Antonio Metropolitan Statistical Area. However, none of the the respondents were eligible to receive any preference points. In addition, respondents certifying their commitment to serve as mentors in the City of San Antonio's Mentor Protégé Program received five (5) evaluation criteria percentage points. ComPsych Corporation received five (5) points for agreeing to enlist as a mentor in the Mentor Protégé Program.

#### **ISSUE:**

Award of this contract will allow City to continue to comply with the requirements of the Family Medical Leave Act. The decision to outsource these tasks and duties will assure consistent handling of claims in compliance with all federal and state regulations governing leaves of absence.

#### **ALTERNATIVES:**

The alternative of taking no action will result in staff continuing to conduct FMLA administrative services internally.

#### **FISCAL IMPACT:**

This ordinance authorizes the execution of a professional services agreement with ComPsych for administration of FMLA claims. The fiscal impact to FY 2015 is \$25,854, which will be paid out of the FY 2015 Adopted Budget in the Employee Benefits Self-Insurance Fund. Remaining expenditures for the proposed contract are contingent upon City Council appropriations for the annual budgets for FY 2016 and future fiscal years. The estimated annual expense is \$103,416.

#### **RECOMMENDATION:**

Staff recommends approval of this ordinance to execute a professional services agreement for administration of FMLA claims for a term beginning July 1, 2015 and ending on June 30, 2018 with an option to extend the contract up to two (2) one (1) year extensions, subject to and contingent upon funding by City Council.